

BOARD OF GOVERNORS OF CONCORDIA UNIVERSITY

MINUTES OF THE OPEN SESSION OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON WEDNESDAY, 17 APRIL 1991, IMMEDIATELY FOLLOWING THE CLOSED SESSION, IN ROOM GM-407-1, SGW CAMPUS

Attendance: Present: Me A Gervais, Chairman, Chief Justice A. B. Gold, Chancellor, Mr. B. Aune, Mr. A. Benedetti, Mr. M.J. Bourgault, Ms. L. Brodrick, Ms. K. Cox, Ms. M. Donaldson, Mr. J. N. Economides, Mr. L. Ellen, Mr. J. R. Firth, Prof. S. Friedland, Mr. R. K. Groome, Dr. H. Habib, Mr. T. Hecht, Mr. P. Howlett, Dr. P. Kenniff, Rector, Dr. V.H. Kirpalani, Mr. F. Knowles, Sister E. McIlwaine, Mr. D. W. McNaughton, Dr. R. H. Pallen, Me J. J. Pepper, Mr. R. Renaud, Ms. C. Shamy, Mr. J. H. Smith, Mr. S. Spedding, Mr. S. Tamas, Ms. S. Woods

Officers of the University: Dr. C. Giguère, Me B. Gaudet

Absent: Mr. D. D'Alessandro, Dr. T. Fancott, Dr. D. B. Frost, Mr. P. Ivanier, Mr. R. Lawless, Mr. A. H. Michell, Mr. W. W. Stinson, Mr. C. I. Taylor, Ms. M. Vennat, Dr. M. Cohen, Dr. R. Sheinin

DOCUMENTS CONSIDERED AND ATTACHED TO THESE MINUTES:

- BG-91-4-D24A - Proposed amendment to Article 10A of the revised By-Laws
- BG-91-4-D25 - Proposal for CUSACORP fee
- BG-91-4-D26 - Proposed guidelines with respect to conflict of interest
- BG-91-4-D27 - Recommendations of the Stewardship Committee
- BG-91-4-D28 - Letter from Guy & Gilbert Avocats explaining Series 6 Bond Issue
- BG-91-4-D29 - Proposed resolution approving Series 6 Bond Issue

1. Call to Order

1.1 Chairman's Remarks

The meeting of the Open Session was called to order at 8:11 a.m. The Chairman welcomed Mr. Shawn O'Hara, a past Co-President of CUSA who represented the undergraduate students on the Board of Governors in 1989-90.

Me Gervais informed the Board members that Mr. Henry Hemens, the first Chancellor of Concordia University, died on 6 April 1991, at seventy-eight years of age. Mr. Hemens had earned a B.A. at Loyola College in 1932, and gained his law degree from McGill. He also won a scholarship to study at the Sorbonne, in Paris. Mr. Hemens was Chancellor of

Concordia during the years 1974 to 1980. The Chairman asked the Governors to stand for a moment of silence in memory of Mr. Hemens.

Dr. Kenniff told the Board that, as a student at Loyola, he had had the opportunity to know Mr. Hemens well. The Rector proposed a motion to extend condolences to the family of Mr. Hemens, and to express the appreciation of the University for his notable contribution.

It was moved and seconded (Kenniff, McNaughton) and unanimously RESOLVED:

- R91-27 *THAT the Board of Governors of Concordia University express its condolences to the family of Mr. Henry Hemens, following his death on 6 April 1991, and relate its sincere appreciation for Mr. Hemens' generous and notable contribution to the University.*

Me Gervais reported that he and the Secretary-General had attended the fifth annual national Conference of University Board Chairmen and Secretaries in Toronto. He said that the Chairmen of about thirty universities attended, representing every region of the country, from Newfoundland's Memorial University to the University of Victoria in British Columbia. Me Gervais was satisfied that an excellent exchange of views had profited all participants in the conference.

The Chairman announced that Mr. Donald McNaughton had been awarded the Loyola Medal for his extensive service to Concordia, and, previously, to Loyola College. Mr. McNaughton was Chairman of the Board of Concordia for six years, from 1981 to 1987. The Board applauded Mr. McNaughton who would be presented, that evening at a special ceremony in his honour, with the Loyola Medal.

1.2 Approval of the Agenda

The agenda was approved as submitted.

1.3 Approval of the Minutes

It was moved and seconded (Firth, Aune) and unanimously RESOLVED:

- R91-28 *THAT the minutes of the Open Session of the previous meeting, held on 20 March 1991, be approved.*

2. Business arising from the Minutes

There was no business arising from the Minutes.

3. Approval of the revised University By-Laws

Notice of Motion to approve the revised By-Laws at the meeting of 17 April had been served at the March meeting of the Board. The Chairman brought to the Board's attention a supplementary document from the Executive Committee (distributed to the Governors that morning), proposing amendments to Article 10A of the By-Laws. Mr. McNaughton commented that he would have preferred to have been notified earlier, to which Me Gervais responded that the Executive Committee had only approved the modifications the day before, on 16 April 1991. Although he regretted the short notice, the Chairman asked for the cooperation of the Board in considering this recommendation to clarify Section 10A, which outlines the conditions of the requirement for ratification, by the Corporation, of certain resolutions of the Board. He explained that the modifications would ensure that the Corporation would be called upon only when required by law.

Dr. Pallen asked, concerning the composition of the Board as outlined in Article 12, whether, in paragraph (ii) of Article 12B, it was accurate to say "Six Governors who shall be nominated from the faculty by the faculty", since it does not specify whether representatives are selected by appointment or election. The Rector answered that nomination is, indeed, the method by which faculty representatives are formally presented for approval by the Board, for membership in the Corporation, and by the Corporation for membership on the Board. Each Faculty may determine its own procedures for the selection of candidates.

Mr. Howlett remarked that he hoped the University was contesting the upper limit of \$300,000,000. permissible immovable assets. This limit, Dr. Kenniff responded, is cited in Article 7 of the University Charter which may be altered only by an Act of the provincial Legislature. The By-Laws, to which the Board and the Corporation are authorized to give final approval, do not address that issue. The University does have a comfortable margin under the existing entitlement, the Rector said.

Me Pepper advised the Board that certain legal cases had highlighted, for himself and his colleagues, problems with Article 3 paragraph (ix) of The Membership and Powers of Senate (Article 41 paragraph (ix) of the revised By-Laws). He proposed the addition of the phrase, "and notwithstanding any provisions herein to the contrary", to prevent the decisions of academic appeal boards, protected under the powers of Senate, from being nullified by Article 29 which is being revised to codify the "superintending power" of the Board. Dr. Kenniff expressed the opinion that such an addition was unnecessary, especially because the revision would have no retroactive effect. He said that Article 29 is used conservatively and rarely, but it enables the Board to carry out its executive responsibilities in exceptional circumstances. The Rector advised that he would yield to the decision of the Board if the Governors felt it necessary to safeguard the authority of the Senate Appeals Committee on Academic Misconduct. The Chairman called a vote on

the amendment which was moved and seconded (Pepper, Knowles) and carried with four abstentions.

Since there were no further questions, the Chairman requested a motion to approve the revised By-Laws.

It was moved and seconded (Kenniff, Smith) and unanimously RESOLVED:

R91-29 *THAT on the recommendation of the Executive Committee and after due notice of motion, the Board of Governors approve the revised University By-Laws, as outlined in Document BG-91-3-D16, with the following modifications:*

the amendment to Article 10A recommended by the Executive Committee and specified in Document BG-91-4-D24A; and

an amendment to Article 41(ix), adding the phrase "and notwithstanding any provisions herein to the contrary", so that it shall read 'Exceptionally, and not withstanding any provisions herein to the contrary in the case of appeals with regard to cheating, plagiarism, and other academic offences, the Senate Appeals Committee on Academic Misconduct shall be possessed of Final Authority'.

4. Approval of a student fee for CUSACORP

The Chairman gave the floor to Ms. Shamy, an undergraduate student representative, who read the motion, proposing the creation of a student fee to be paid, through CUSA, to CUSACORP. Ms. Cox, also a student representative, opposed the motion, saying that she had received complaints from students who felt that the referendum results approving the fee were not necessarily an accurate representation of the wishes of those students who would have to pay the fee. The problem, she reported, hinged on the referendum procedure which permitted all students to vote on the fee when only Arts & Science and Fine Arts students would be liable to pay it. Ms. Cox said that because the referendum procedure was flawed, the results could not be seen to be binding.

Me Gervais said the problem appeared to be internal to the student associations, and could not, therefore, be resolved by the Board. Ms. Cox agreed. Ms. Shamy responded that she was unaware of any complaints made before, during or after completion of the referendum process, and that the procedure was in conformity with CUSA By-Laws. For those reasons, she felt it appropriate to bring the results before the Board.

Mr. Smith advised that the Board should vote on the issue only when it has been established, beyond reasonable doubt, that the students affected support the fee. He suggested that the student representatives attempt to resolve their differences over the next month, and then bring the question before the Board again.

Dr. Giguère pointed out that student affairs had been considerably complicated by a Quebec law, called Bill 32, which allows for the formation of Faculty-based student associations, which are authorized to collect fees from their members. Although Concordia's Board of Governors recognizes only CUSA, there are presently three accredited undergraduate student associations at Concordia.

Dr. Kenniff advised caution in this matter. He said that Bill 32 was a poorly conceived piece of legislation, but until satisfactory amendments are proposed we will have to "live with it". Concordia, however, recognizes CUSA as the representative of all undergraduate students, and problems arising among the associations must be resolved at that level. The Rector said the Board should not be asked to "lift the corporate veil" to assess the legitimacy of this referendum, nor to act as an arbitrator between student associations. He reiterated Mr. Smith's suggestion to set the matter aside until the May meeting of the Board, at which time adequate documentation should be provided to enable the Board, confidently, to deliver a decision. Dr. Kenniff indicated that he was willing to help the students clarify their situation.

Ms. Shamy agreed to withdraw the motion and to postpone it until May, and the seconder, Mr. Tamas, agreed. Ms. Shamy asked Ms. Cox to forward copies of any complaints she had received to CUSA.

5. Approval of guidelines with respect to conflicts of interest for members of the Board of Governors

The Chairman informed the Board that the proposed guidelines had been approved by the Executive Committee at its meeting of 16 April 1991, with the addition of the word "voting" in paragraph (h).

It was moved and seconded (Kenniff, Smith) and unanimously RESOLVED:

R91-30 *THAT, on the recommendation of the Executive Committee, the Board approve the guidelines respecting conflicts of interest for members of the Board, as outlined in Document BG-91-4-D26.*

6. Resolutions of the Stewardship Committee

6.1 It was moved and seconded (McNaughton, Kirpalani) and unanimously RESOLVED:

R91-31 *WHEREAS the Royal Bank of Canada has asked that its donation be recognized on both campuses of the University, that the commemorative consist of bricks and mortar and that it should recognize the fact that part of the gift was made in honour of Mr. W. Earle McLaughlin; AND*

WHEREAS the amount received to date from the Royal Bank of Canada exceeds the value of the commemorative chosen on the Loyola Campus;

THAT, on the recommendation of the Capital Campaign Stewardship Committee, the Main Foyer of the Concert Hall be recognized as an area funded by the Royal Bank of Canada in honour of Mr. W. Earle McLaughlin;

THAT the commemorative plaque be installed as soon as approval on the wording is obtained from the Royal Bank; AND

THAT the Downtown Library Complex's Bookstore also be recognized as an area made possible by the Royal Bank of Canada.

6.2 It was moved and seconded (McNaughton, Donaldson) and unanimously RESOLVED:

R91-32 *THAT, on the recommendation of the Capital Campaign Stewardship Committee, the Graduate Students Study Area which will be located on the third floor of the Royal George Building in the Downtown Library Complex be designated as an area made possible by the contribution of Mr. Edward Bronfman and Mr. Peter Bronfman.*

6.3 It was moved and seconded (McNaughton, Brodrick) and unanimously RESOLVED:

R91-33 *WHEREAS the Cloakroom of the Concert Hall which was selected by Mr. Fred Kerner is no longer available;*

THAT, on the recommendation of the Capital Campaign Stewardship Committee, a Group Study Room in the Vanier Library be designated as an area made possible by the donation of Mr. Fred Kerner.

7. Progress report on Strategic Space Planning

Dr. Kenniff pointed out that this item had been added to the Agenda because the discussion had been continuing both inside and outside the University. It was unfortunate, he said, that the media had become an active participant in an internal matter. He reported that the Strategic Space Planning Committee, with an expanded membership, is continuing its work, and reviewing submissions from various groups throughout the University community.

The Rector reported that a number of submissions, expressing a wide range of views, were circulating around the University; some had been distributed to the Governors.

Among these representations, many are thoughtful and well-considered, other writers had presented their opinions less reasonably. It was reprehensible, Dr. Kenniff said, that some members of Concordia's community have chosen to take their complaints to the media, damaging the image of the University. For the time being, Concordia will not respond publicly to the allegations in the press; if the situation worsens, the University will issue a formal response. Dr. Kenniff encouraged Board members to act in the capacity of emissaries for the University - where opportunities arise, to refute inaccuracies or correct misunderstandings. -

Dr. Pallen asked if "due process and consultation" means that every submission will be considered. The Rector answered that every view will be considered in the course of formulating the space plan. Consultation, however, does not imply that opposing views are empowered to veto decisions of the administration.

Mr. Spedding said that he had received representations only from the Humanities and Social Sciences departments, and asked whether those would be the only disciplines affected. Dr. Kenniff said that, potentially, any department may be affected by the new space plan.

8. Consent Agenda

8.1 Approval of an upcoming Bond Issue

The Series 6 Bond Issue, in the amount of \$10 million, was scheduled to be delivered on 2 May 1991. The purpose of this Bond Issue was to repay capital expenditures in the amount of \$7,278,000 for the years 1988-89, and, with the remainder, to refinance a portion of the debt outstanding from the Series G Issue.

The following resolution was approved without debate:

R91-34 *WHEREAS in virtue of the Principal Trust Agreement (the 'Principal Trust Agreement'), bearing formal date of March 23, 1988, granted by CONCORDIA UNIVERSITY (the "Corporation") in favour of SOCIÉTÉ NATIONALE DE FIDUCIE, as Trustee (the 'Trustee'), provisions were made for the issue of Bonds of the Corporation, without limit as to the aggregate principal amount at any one time outstanding;*

WHEREAS the Corporation proposes to issue, under the terms of the Principal Trust Agreement, ten million dollars (\$10,000,000), principal amount, of Additional Bonds to be designated as Series 6 Bonds (the "Bonds");

On motion duly made and seconded, it is RESOLVED:

1. *THAT the Corporation be authorized to borrow an amount of ten million dollars (\$10,000,000) by way of an issue of Bonds designated as Series 6 Bonds (the "Bonds");*
2. *THAT the Bonds:*
 - a) *be dated as of May 2, 1991;*
 - b) *mature on May 2, 1996 for a first portion of Bonds, in the amount of \$3,021,000. and on May 2, 2001 for a second portion of Bonds in the amount of \$6,979,000.;*
 - c) *be issued in the form of bearer Coupon Bonds, which may be registered as to principal, and in the form of Fully Registered Bonds;*
 - d) *be drafted in such form, bear such serial numbers and contain such terms and conditions not substantially in contradiction with the provisions hereof, as may be determined by the officers of the Corporation who will execute same;*
 - e) *bear interest at the rate of 10% per annum for the Bonds maturing on May 2, 1991 and at the rate of 10.5% per annum for the Bonds maturing on May 2, 2001; Bonds in bearer form shall bear interest at their respective rate from May 2, 1991 to maturity, payable semi-annually on May 2 and November 2 of each year on presentation and surrender of the interest coupons and, with respect to Fully Registered Bonds, from the date of registration thereof if it be May 2 or November 2 or, in all other cases, from May 2 or November 2 next preceding the date of registration thereof, provided it be no earlier than May 2, 1991, the interest thereon being payable semi-annually on May 2 and November 2 of each year until full payment of principal, any interest payment in arrears bearing interest at the same rate as the one applicable to such Bond;*
 - f) *be issued, in denominations of \$1,000, \$5,000, \$25, 000 and \$100, 000 with respect to Bonds in bearer form, and in denominations of multiples of \$1,000 but which must not be less than \$5,000 with respect to Fully Registered Bonds;*
 - g) *be exchangeable, without cost to their holders, for an equal aggregate principal amount of Coupon Bonds or Fully Registered*

Bonds of any authorized denominations and having, in each case, the same terms and conditions;

- h) be payable in legal money of Canada at any branch in Canada of the Bank of Montreal, at the option of the holder thereof, as to the principal of the Bonds and as to the interest payable on the coupons, and, as to the interest payable on Fully Registered Bonds, by cheque or draft payable at par and drawn on a Bank governed by the Bank Act (Canada) or a savings and credit union authorized to carry on business in Quebec;*
 - i) be not redeemable prior to their maturity at the sole option of the Corporation, but be purchasable by it by tender or private agreement, at any price not exceeding their principal amount or the redemption price thereof, if any, accrued interests and the costs of purchase;*
 - j) be signed, for and in the name of the Corporation, by any of its officers, so long as they are two acting jointly, and the coupons annexed thereto be signed by one or the other of such officers; these signatures may be printed, engraved or otherwise reproduced, such reproduced signatures being considered as manual signatures and having the same force and effect;*
- 3. To deliver the Bonds to the persons, at the dates and upon such conditions as may be determined by the officers of the Corporation who will sign the Supplementary Trust Agreement hereinafter mentioned;*
- 4. To approve the appointment of Société Nationale de Fiducie, a trust company having its head office in Montréal as trustee, made by the ministre des Finances acting as agent for the Corporation;*
- 5. To approve the appointment of Mr. Gilles Bertrand of the law firm of Guy & Gilbert, of Montréal, to act as counsel to prepare and revise the relevant documentation and to deliver an opinion as to the validity of the borrowing and the issue of the Bonds, made by the ministre des Finances acting as agent for the Corporation;*
- 6. To approve the appointment of Won Boulanger Limitée, of Montréal, to print the form of the Bonds, made by the ministre des Finances acting for the Corporation;*

7. *To approve the draft of the form of the Bonds, in the form of Coupon Bonds and in the form of Fully Registered Bonds, as submitted to this Meeting;*
8. *To ask the ministre de l'Enseignement supérieur et de la Science to grant to the Corporation, for and in the name of the Gouvernement du Québec, a subsidy payable out of the funds voted annually for that purpose by the Parlement, to secure the payment of the Bonds in principal and interest;*
9. *To secure the Bonds by the assignment to the Trustee representing the holders of the Bonds of the subsidy of the Gouvernement du Québec, it being understood that neither the Corporation nor the Trustee may require that the moneys to be deposited to the University Institutions Sinking Fund be remitted to them by the ministre des Finances before May 2, 1996 for \$1,010,000 and May 2, 2001 for \$1,980, 000;*
10. *To authorize any of the officers of the Corporation, so long as they are two acting jointly, to execute for and in the name of the Corporation, the Supplementary Trust Agreement to be entered into, to consent to all provisions and undertakings as they may deem not substantially in contradiction with the terms and conditions hereof, to consent that the proceeds from the sale of the Bonds be remitted to the Trustee and used by the latter only upon the authorization of the ministre de l'Enseignement supérieur et de la Science or of its duly authorized representative and to do such things and sign such other documents as they may deem, in their sole discretion, necessary or useful for the purpose of giving effect to this resolution,*
11. *To authorize the same persons to deliver the Bonds to the Trustee for certification and to sign all necessary documents for such purpose and for the definitive delivery of the Bonds to the purchasers;*
12. *To assume from the proceeds of the borrowing, all the expenses and fees incurred in connection with the foregoing, as well before as after this resolution, including the fees and expenses of legal counsel, the initial fees of the Trustee and the costs of printing the Bonds, in conformity with the current tariffs negotiated by the ministre des Finances;*
13. *To pay, from the current income of the Corporation, the annual fees of the Trustee in conformity with the tariffs then in force negotiated by the ministre des Finances;*

14. *To authorize the issue of an Offering Circular with respect to the issue of the Bonds;*

15. *To ratify, subject to the granting by the ministre de l'Enseignement supérieur et de la Science of a subsidy to secure the payment of the Bonds, in principal and interest, the sale of the Bonds at the prices of:*

- *97.83% of their principal amount for the first portion of Bonds, in the amount of \$3,021,000. maturing on May 2, 1996, and*
- *97.21 % of their principal amount for the second portion of Bonds, in the amount of \$6,979,000. maturing on May 2, 2001,*

together with the accrued interest thereon, if any, up to the date of delivery to a group of underwriters composed of Lévesque Beaubien Geoffrion Inc., McNeil, Mantha, Inc., Tassé & Associés, Limitée, ScotiaMcLeod Inc., RBC Dominion Securities Inc., Richardson Greenshields of Canada Limited, Nesbitt Thomson Deacon Ltée., Alpha Capital Inc., Merrill Lynch Canada Inc., Valeurs Mobilières S.M. C. Inc., Midland Walwyn Capital Inc., under the direction of Lévesque Beaubien Geoffrion Inc.

9. Report of the Standing Committees

9.1 Report of the Pension Committee

In the absence of Mr. Lawless, Mr. Economides reported that the Pension Committee had met to review the performance of the Fund. The Fund was not performing as well as anticipated because of present market conditions, but according to the SEI funds evaluation service report, had shown better results than most Funds in the domain. Mr. Economides advised that, in his opinion, a relevant reading should assess Fund performance over a five or ten year period; on a fiveyear basis, the Pension Fund has performed 8.6% above the median for that period.

Mr. Tamas asked when the next review of benefits to Plan members was scheduled, and Mr. Economides replied that these reviews were continuous and ongoing. The next meeting would be held in May, he said.

10. Report of the Rector

The day's lead article, on the front page of The Gazette, revealed that universities had been spared from the extensive cutbacks in the provincial government's Budget estimates. Dr. Kenniff related the good news to the Governors, and also announced that the Minister of Higher Education and Science had allocated \$10 million to compensate the shortfall in

base-funding to four Quebec universities, including Concordia. To date, about 60% of the shortfall had been corrected; the new funding block will correct the remainder. Concordia will receive \$1.934 million before indexation, in real terms this will amount to an increase in revenues of about \$2.2 million. It had not been anticipated that, in this year of fiscal restraint, 100% correction to base-funding would be achieved. The Rector explained that, although Concordia's funding position relative to other Quebec universities has been corrected, overall underfunding remains.

Mr. Hecht asked what priorities would guide the University in spending these unexpected revenues. Dr. Kenniff answered that, in Dr. Cohen's absence, he could provide a rough answer. Gradual repayment of the accumulated deficit is the Budget Committee's first priority, he said. As well, certain academic initiatives will be assured of continued funding. The Rector reminded the Governors of Concordia's outstanding proposal to the Government, to write-down deficit carrying charges, and establish a schedule for repayment of the principal.

11. Reports of the Vice-Rectors

11.1 Dr. Sheinin

11.2 Dr. Cohen

Both Dr. Sheinin and Dr. Cohen were absent.

11.3 Dr. Giguère

Dr. Giguère reported that a letter, dated 28 March 1991, had been received from the Minister of Higher Education and Science announcing a commitment of funding to the University to allay the costs of the research activities of its four Centres of Excellence. Dr. Giguère said that this funding probably represents the first time that indirect costs associated with research have been acknowledged in government spending. Concordia will receive: \$86,000. for support staff; \$773,000. for rentals; \$91,000. for renovations; and \$229,000 for equipment. Dr. Giguère told the Board he was very pleased with this grant.

14. Date of next meeting

The next regular meeting of the Board will be held on Wednesday, 15 May 1991, at 6:30 p.m. at the Loyola Campus.

15. Termination

The meeting terminated at 9:13 a.m.

Bérengère Gaudet
Secretary of the Board of Governors